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"Salvation of India lies in Cottages."

—*MAHATMA GANDHI*

'RURAL INDIA' COMPLETES TWENTY-ONE YEARS'

WITH the publication of this issue for October 1959, 'Rural India' completes twenty-one years of its unbroken service in the cause of rural development and national reconstruction. Since November 1938 when the first issue of 'Rural India' was published, there have been tremendous changes not only in India but all the world over. India has attained political independence and is ruled by its own representatives. This is a great historical change for which every Indian was straining his nerves to the utmost. Though the division of the country into India and Pakistan accompanied by bloodshed and communal frenzy leading to transfer of large sections of population from one part to another, much marred the glow and joy of independence, yet the country heaved a sigh of great relief for having thrown off the foreign yoke which obstructed its progress.

The Independence of the country symbolised the high aspirations entertained by the people. It embodied not only political freedom, but also economic and social freedom which included freedom from want, disease and ignorance ; social justice; and provision of all necessaries of life. It aroused a hope among the people that with the attainment of political freedom all their miseries, sufferings and sorrows would vanish like darkness on sun-rise.

There is no doubt that since the attainment of Independence, there have been numerous seeming changes in the political, social and economic life of the country. The boundaries of the Provinces and States have been redrawn ; various projects and schemes are being implemented under the Five-Year Plans; and a considerable part of the rural area has been covered by the Programme of Community Development. Huge sums of money are being spent in the name of development, never conceived before.

In the last one year, steps have been taken in some States to move in the direction of Democratic Decentralisation by delegating some of the powers of administration to the Village Panchayats at village level, Panchayat Samities at Block level and Zila Parishads at district level. Other States are also expected to follow. The Congress bas resolved that the future agrarian pattern of India should be that of co-operative joint farming and ceilings should be fixed on existing and future holdings. It also welcomes the introduction of State trading in wholesale trade in food grains.

These are some of the very significant events of far reaching consequences affecting the life of the people in villages. While democratic decentralisation of administration is held as a welcome step long overdue, opinion in the country is widely divided on the question of co-operative joint farming and imposition

of ceilings on holdings. It has been subjected to severe criticism even by some leading veteran Congressmen who finding it difficult to reconcile their views with those of the organisation had ultimately to part company with their old colleagues and join the newly formed Swatantra Party.

The real question is, in the midst of all these moves, where does the poor village man stand ? How far is he benefited ? Have his aspirations been fulfilled ? Is he better fed, clothed and housed ? Is his economic condition any better than before ?

The poor, ignorant villager only feels bewidered. He is neither better fed nor better clothed. His tottering mud walled house stands as it was. He is sorely disappointed. He grieves at the way he is being fleeced. While on the one hand, indirectly a ceiling is being put on his income by fixing a ceiling on his holding—the only major means of his livelihood, on the other, he is deprived even of his small earning by the imposition of various taxes, direct and indirect. The new reform of democratic decentralisation, which outwardly looks so attractive, is not also an unmixed blessing. The Panchayats and Panchayat Samitis are being empowered to levy their own taxes to augment their financial resources and it is held according to an official publication that 'the extent to which the Panchayat Samiti or the Village Panchayat is able to raise its resources will determine the measure of success, and also indicate the element of responsibility and its activity". When this is the measure rod of the success and working of the Village Panchayats and Panchayat Samitis, in the first flush of their enthusiasm, these bodies are likely to misuse their powers and tax their people where Central and State Governments failed or hesitated. The poor man is being crushed under the heavy weight of innumerable taxes levied to maintain top heavy administration and feed the fancies of those in power. Enormous increase in taxes is chilling people's enthusiasm, spirit of enterprise, initiative and interest in raising their income. What is given by the Government with one hand in the name of development is snatched with another in the form of taxes.

In the eyes of an average man, the test of good administration is that he gets ample opportunities for work and development and is free to enjoy the fruits of his labour. The imposition of ceiling on holdings limits the scope for development and there is no guarantee of work for the unemployed. Even our Five-Year Plans fail to plan for full employment which must be the first objective of any ideal Plan. If somehow one manages to earn anything, a considerable part of it goes in the payment of taxes and what is left is too meagre to meet the needs of life in the midst of too high prices. The poor man finds no happier conditions than before.

The picture of co-operative joint farming is least attractive to the farmer. He apprehends to lose more than to gain by joint farming. Conditions as obtain to-day in the country do not at all warrant success in it. Even in Gramdan villages where conditions could be far more favourable for co-operative joint farming than anywhere else, the people favour individual farming more than co-operative joint farming, for experiments made in the latter so far have not proved encouraging. Cases are not wanting where people have retraced from it because of poor and unsatisfactory results.

'Rural India' has all along been striving to place its views before the public boldly without any bias or prejudice,

unmindful of either gaining favour or incurring displeasure of any section however influential or powerful. It has focussed public attention on all vital problems touching the life of the people in villages and offered its solutions. Promotion of rural welfare is its mission which it has been serving at a great financial loss. We are thankful to its worthy contributors who send thei- highly educative, instructive and enlightr ening contributions of articles without asking for any remuneration but that of joining their hands in the fulfilment of aforesaid mission. Thanks are also due to its readers and subscribers for their valuable co-operation. May the Almighty God guide it in its future onward march ;

CONSCRIPT THE YOUNG MEN FOR NATIONAL SERVICE

By : NAUTAMLAL C. TEJPAL

ALMOST every democratic country of the world conscripts its young men for military service. Why should we not call up our young men for the peaceful purpose of national development ? We are doing everything and spending millions to develop our material resources ; but why not develop and utilize fully our vast human power ?

In Japan and Western countries there has been conscription since the biginning of the last century ; and solely due to it, their industries are well organised and developed ; as physically, socially and mentally trained and disciplined men with strong sense of duty are turned out to man and develop their industries.

On the otherside we have to carry on with undisciplined and crude human material with no sense of duty. In advanced countries, the labour works without any supervision.

Though almost the whole of Asia was enslaved by the Europeans during the last century, only tiny Thailand maintained its independence. This was due to a novel type of conscription which had no compulsion, but since the advent of Buddhism, every young man had to dedicate 2 years of his student life to Buddhist Monasteries, studying and practising the rigorous and simple life of a Bhikshu before he could marry. Thus almost all Thailanders have gone through simple and highly moral living, which had been maintained throughout their mundane life. Thailand has produced no Quislings or Jaichand to sell his country to the foreigners. So without conscription it would be difficult if not impossible to carry out our huge planning, and maintain freedom from want as well as national freedom.

By introducing conscription for the age group of 18 to 25, (persons studying medicine or other higher studies should be conscripted at the age of 25) for the duration of 2 to 3 years :—

(1) We can turn our crude and undisciplined men into well organised and healthy citizens with civic sense.

(2) We can partly solve the unemployment problem, as about 5 million young men will be constantly mobilised for the national service.

(3) Even the highly educated men are ignorant of their own latent capacity. They take their education, not based on their natural trend or capacity but on getting paying jobs or professions. But during the conscription period, latent qualities of vast numbers of trained persons would come out and our Public

Service Commissions would have an easy job to select from these trained men of proved capacity and character.

(4) During the training period there would be natural birth control as they would be away from their families.

(5) By uniform dress, uniform food and uniform work, class and caste consciousness could be levelled off.

To carry out the above scheme, the experienced and fit men pensioned off from the Government and army services should be selected to officer the training of the conscripts. Retirement of fit and experienced men at the age of 55 is a national waste of man power, which should be stopped.

The conscript should be supplied with all the necessities as in army, plus about Rs. 15 to 40 per month for sending to his family. Rigorous rules and regulations as in army should be adhered to.

Separate camps or canteens should be provided for vegetarians and non-vegetarians, supplying simple and healthy food; and at the same time cultivating proper food habits.

(a) Instead of chapaties, oven baked loaves containing 60% whole wheat flour, 15% oil cake powder (which contains valuable proteins), 15% mango seed kernel (which goes to waste, but has important food value) and 10% potatoes, either sweet or ordinary whichever is available at the spot of the camp, and palm Nira used as yeast, should be introduced. I had prepared the above type of bread. It is nutricious and very palatable, and costs about 20 to 25 nP. per lb. at the present wheat price. However it should be prepared and tested by our Mysore Food Institute.

Fresh Nira should be supplied in the morning wherever and whenever available. Further, butter milk prepared from ground-nuts (made by Mysore Food Institute), cheese and Macaroni (in place of rice) should be supplied. This will help to cultivate new food-habits for the whole nation, and at the same time save food grains and make use of the waste like mango seeds.

In the biginning, only the physically fit conscripts should be selected, but once the scheme gets going, men below standard also should be taken to upgrade them and make them fit citizens. Further, the persons who could pay Rs. 100/- per year for 3 years should be released from the conscription. So already employed and well-to-do persons would take advantage of this freedom, and in the beginning there would be manageable numbers of conscripts. But in future the amount should be increased when unlimited conscripts could be managed.

Work and Duties of the Conscripts

Roads and small canal construction, small dam building in small rivers and rivulets, where local materials could be used, contour building to stop soil erosion, sinking of wells, brick making and house building, tree planting during monsoon when other work could not be undertaken, could all form part of the training programme. In short they should be employed as miners and sapers to develop and build the nation materially, physically, culturally and morally.

Selected men should be given intensive training in running the modern earth moving heavy machines. Selected educated young men should be trained in preparing proper statistics and survey work. Our educated men should be given manual work to imbibe in them the dignity of labour. During the last World War even the sons of English Lords and Millionaires were made to work in coal mines, and every future king of England has to work like a common sailor, washing deck and cleaning ship; while our diploma holders in

Dairy Industry are ashamed of, or even cannot milk a cow. However, certain selected men should be given specialised training for which they are fit and capable, and be freed from the manual work.

Camps for the conscripts should be built in such localities that they could be turned into model villages or health resorts when the place is developed by new canal system, or jungles are cleared for habitation.

Camps should not be officered by party men, but by men pensioned off from the army and civil services. As the success of the scheme would depend on the capable and experienced retired men of proved qualities, they should be paid fully their usual pay.

Cost & Finance: If the scheme is properly organised and carried out, it could be made self-supporting with no profit and no loss, as all the persons would give productive work worth atleast Rs. 1.50 nP. per 6 hours of manual labour, per day, reserving 3 hours for physical training and other educative activities. The army during peace time is simply a budget devouring unit and produces nothing. Further, we can call up from the demobilized conscripts fit for army service during war or other natural calamities.

This conscription scheme will be in tune with democracy as every democratic country has conscription for military service; but for us it would help to develop the country as in socialist countries where undemocratic force is used to achieve their targets.

OUR ECONOMIC EXISTENCE AND THIRD PLAN

By: DR. V. D. NAGAR

THE first Five-Year Plan initiated the process of democratic planning and gave a national character to the Indian economy which previously was in more or less colonial stage. The Plan which was directed mainly at increasing agricultural production could achieve the targets with relatively less strain to the economy and with comparatively less outlay than proposed. During the Second Five-Year Plan which intended to give priority to industrialization, the nation began to experience the pangs of a developing economy right from its inception. Though the plan-frame was conceived in a scientific way, the original plan had to be scaled down due to rising prices, low agricultural production, and foreign exchange crisis. However, certain crucial processes of economic development, like steel production, heavy machine building, atomic power and oil industry, have been started during 2nd Plan and forces set into motion can not be reversed without disaster.

Since the country is bent upon going ahead in a planned manner, the third plan has to be big and powerful enough considering the basic requirements of our economic development from the present under-developed stage to a developed one. In the words of our Prime Minister, "We can not afford to slow down, for then we shall be overwhelmed by our problems".

Agriculture has been rightly called the 'Base' of Indian planning. Events have proved that agriculture is still the most important problem whose solution cannot take a second place. Then, the legacy of unemployment which the Indian economy inherits every year or every plan requires greater advance towards socialist industrialization by much larger

public investment and further extension of the public sector in important and basic industries. Rapid industrialization will not be possible without increased agricultural production and consequent marketable surplus at stable prices of food grains. The Third Five-Year Plan will thus be a battle-field of 'one mouth and two hands' i. e. increasing demand and supply and therefore, in the words of Prof. P. C. Mahalanobis, "Unless India has a Rs. 10,000 crore third Plan, there is no getting out of fear of unemployment and poverty". One of the fronts of this battle against poverty and unemployment will be our trade and commerce, which generates about 19% of the National Income and less amenable to public control and less subservient to national planning, but shows highest margin of profit and more and more pronounced monopolistic trend. Besides these, broadening of democratic base calls for proper attention towards health and education. Unless "we have correct economic behaviour and proper training, even rapid economic development" in the words of Dr. Schultz, "cannot lead to progress in the absence of honest and sincere population". Thus social change is also linked with economic change.

Panchsheel for our Existence

As regards the objectives to be achieved during the Third Plan, we should adopt the following :—

1. Basic and minimum standards of lodging, fooding and clothing for the people should be fulfilled. No Indian should remain under-fed, under-clad, ill-housed and without healthy drinking water.

2. Provision of employment to 19 million people during the Third Plan which will begin with the back log of 7 million jobless of first and second plans and face addition of about 14 million jobless people during the Third Plan period, as against the target of 16 million new jobs suggested by F. I. C. C. I. and 15 million by Shri C. D. Deshmukh.

3. Fixation of ceilings on Incomes in order to narrow down the disparities in income to 1 : 30 and to produce the necessary resources should be undertaken. The Taxation Inquiry Commission, Mr. Shriman Narayan and Dr. V.K.R.V. Rao have suggested the narrowing down of the disparities in incomes.

4. Ensuring the investments of the order necessary for realizing two objectives : (1) marking a definite advance towards the goal of doubling per-capita income by 1973-74 and (2) evolving a pattern of investment which will make future development less dependent on external resources. During third plan period we should aim at 6% increase in our annual national income.

5. Cheep education for all, free higher education for all the students of proved merit and free and compulsory education for children in the age group of 6 to 11. Education has become forbiddingly costly and while the text books cost much more than they did before, their contents are deteriorating from year to year with the result that the quality of education, adversely affected even otherwise by over-crowding in schools and the poor quality of teaching has sunk miserably low.

Priorities and Pre-Requisites of the Success :

The Second Plan has placed capitalism in the position of a system in transition. The third plan cannot only continue this process but can give a tangible shape to co-operative socialism in India, if we while avoiding both excessive adventurism and conservatism to achieve our aforesaid objectives can shape our priorities and pre-requisites in the following manner.

Priorities :

1. Attainment of the target of 110 million tons of food production implies the pride of place to introduction of much delayed land reforms to increase in

production of fertilizers and their efficient and timely distribution at lower rates to the farmers, greater attention towards small irrigation works, provision of better quality seeds, suitable price policy and cheap credit through service-cooperatives, greater mobilization of manpower and improved efficiency of States' agricultural departments.

2. Stable Price level of food articles and other essential consumer goods which have become far too expensive. To-day the whole-sale prices are about 15% higher than in July 1956. The house wives are haunted all the time by an increasing rise in prices. "Nothing is more dangerous to the loss of confidence in economic betterment than the loss of purchasing power of the currency".

3, More domestic savings in order to reduce the dependence on external assistance which at present bridges the gap between the increase of investment by 10 or 11% of the national income investment and 8% increase in domestic savings. The Third Plan of Rs. 10,000 crores may require the rate of investment to be 14% of the national income and increase in the rate of domestic savings to at least 11%. Otherwise as Mr. J. J. Anjaria warns "the Third Plan would depend too much on external assistance".

In this connection may be pointed the need for fair trial and encouragement to the idea of trusteeship in industry on the model of Scott Badar Commonwealth Company organised by Mr. Ernest Badar. Sixty p. c. of the profits in this concern are ploughed back into the industry, 20 p. c. distributed among the workers and 20 p. c. spent on social services for the community.

4. Self-sufficiency in the heavy machine building, other types of industrial machinery including machine tools, tractors etc., and equipment for power and transport. This would cost nearly Rs. 190 crores including Rs. 85 crores in foreign exchange.

5. Adoption of unorthodox methods for creating Productive Employment as suggested by Shri G. L. Nanda, and favoured also by Mr. B. R. Bhagat while suggesting "Customary obligations" for harnessing the unutilized energies of the people. But caution must be taken regarding the possiblility that the total output produced by the unorthodox investments may prove to be lower than the total output that would have been produced by the same total investment in alternative lines. Then, the investment on unorthodox lines, on the materials and equipment would imply a much larger amount on organisational over-heads in the form of new ministries, new departments that are likely to be created at New Delhi and State Capitals. There is also the danger in the case of unorthodox lines of the types of "Customary obligations" or employment on the programmes of rural development, that the investment expenditure may never fructify. The common Indian experience is that the roads built in one year may disappear in the next and have to be built again literally from scratch. It is possible that the ultimate end of all development investment increase in the output of consumer's goods will never be realised in cases of this nature.

Besides the unorthodox and new methods to provide employment, the planners should find ways and means to utilize the considerable production capacity that has been built up in the private sector during the first three years of the Second Plan and not utilized afterwards, resulting in decline in the rate of production. There is no reason why industry cannot be made to work a second or even a third shift with a small additional investment in equipment and spares. This will create more employment facilities.

6. People's Co-operation:

"The size of the Third Five Year Plan' says Dr. V. K. R. V. Rao, "would be determined, not by the economic resources of the country, but by the quantum of people's participation". Every body in

our country looks towards the Government for even petty village works. We have failed to provide key to make people take initiative in building a new India. The psychological approach towards the Third Plan should be human and sincere. The common man's complacency can be removed by small mercies shown towards him by the Government officials who actually deal with him. The villager should be made to realize that his relations with the Government have improved and that both were engaged to fulfil the common task. The "Small mercies" and sympathetic attitude do not involve any investment but their yield in the form of a psychological change will be enormous and ever lasting, once the people are convinced that they can get their things done without giving bribery, without going at least six times for a petty matter, or without much trouble. What the Governmental machinery needs is the application of heart along with brain. Then, the paradox of the talk of austerity amidst the pomp and show accompanies our planning. The Gandhian Spirit has to be revived in order to inspire people to practice austerity which is at present much talked but least practiced. In under-developed economy of ours austerity or frugality starts from the top and people imitate what the higher classes do. Like Gandhism, austerity can be defined by deeds rather than by the words. The conspicuous austerity of the middle and higher classes, big officers and "men of letters" including professors and teachers will certainly enthuse the 90% of the country's poor population, the working class and the country's youth in colleges and universities to sacrifice. To begin with, a common pattern of articles of daily use can be devised for all whether the rich or the poor. If this could be done and austerity is sincerely practiced all over the country among all the classes, the mother-land can get from her sons whatever is needed not only for Third Plan but for many plans to come.

Lastly but not the least, the capacity to mobilize the people and discover fresh resources to execute our national development plans ultimately depends on the new and congenial political climate in the country. Developmental erosion has been going on in our country due to constantly growing party-politics. The political parties have by their functioning on political level created not only the war of attrition but fragmentation of minds, ideas and our motherland's needs. A sense of divorce between the rulers and the ruled is growing with the result that the people have no feeling of participation in national development plans and appeals to the people to face hardships have only led increasingly to a sense of stagnation.

Let the sons of the soil feel some change in the relations among themselves and with the higher class and the Government and in the attitude towards the task assigned to each so that every man, big or small, does his work in the best possible way, makes sacrifices for his motherland's sake and realize that the common efforts of all alone will bear fruits for the generations to come. We, Indians do not mind toil, but we do mind tears. To wipe away tears from every eye should be our first duty.

CEILINGS ON LAND HOLDINGS AND CEILINGS ON INCOMES

By : Prof. R. G. SONY

THE latest Congress Panacea for the agrarian ills is ceilings on land holdings and co-operative farming. Our failure to solve the food problem and hasten agricultural development does not lie in absence of these pills, but in our incapacity to execute unquestionable steps towards building up a sound agricultural system.

The imposition of ceiling on land holdings on agricultural income basis is nothing but a social discrimination against an agrarian sector. The first thing that strikes an impartial observer is that Government policy of curtailing income is like robbing Peter to benefit Paul.

Secondly, when traders, merchants, manufacturers and Government servants and others have the freedom to earn much more, there is no sense in punishing the agriculturists and reducing them to poverty. Sometime back our Prime Minister Pandit Nehru rightly stated, "I do not want to divide poverty nor level down the income of the people." But ceiling on agricultural income is against the spirit of this statement.

Thirdly, the richer the owner, the more nourishment of the field and consequently more production. It would only mean that those who are efficient agriculturists will be hit more than the inefficient farmers because the fixation of ceilings on the basis of income itself is discriminatory between efficient farmers whose yield is more from a given piece of land than the idle agriculturists who get paltry income from the same piece of land. It is definite that this can hardly be the intention of land reforms.

It is recognised by one and all that ours is an undeveloped country where most of the cultivated area is under inefficient production techniques, the fixing of ceiling on income basis will ruin our long term aim for which the ceiling is to be imposed and so it may lead to a fall in production.

It is said that in Indian agricultural sector income is not a fixed concept and nothing can be based upon its foundation because 80 % changes in crop production are due to weather conditions. Indian agriculture is yet a gamble in rains. Every year we hear the reports of havoc done by floods or untimely rains. Due to the fluctuating prices of agricultural crops, the income of agriculturist is not also certain.

It will not be out of place to mention here that even some prominent leaders of the ruling party have expressed doubts about the usefulness of this measure and have sounded a note of warning in this connection.

Mr. P. Thimma Reddy, Andhra Agriculture Minister sometime back pointed out that the fixing of ceilings on land would tend to reduce the production of foodgrains. Mr. C. Subramaniam, Madras Minister for Finance and Education has also stressed the need to restudy the problem of ceilings on landholdings and the impact on food output. Mr. Subramaniam observed that even though 90% of the present holdings were small ones in actual fact this had not resulted in increased production of food. Breaking up of large existing holdings would instead of solving the problem, only intensify it.

It is agreed on all hands that there is need for abolition of absentee landlordism, fixation of fair rent and providing security of tenure. It will also be agreed that at some stage some kind of ceiling will have to be fixed to ensure a more equitable distribution of land. But this does not mean that we should rush headlong to fix a rigid ceiling on land which will limit the holdings to such an acreage as will yield an income of about Rs. 3,600 or 4,000 per annum. We should not lose sight of the fact that with land ceilings security of property will go, as also the incentive to grow more.

It is also contended that if the ceiling is not fixed on income basis, private investment in land will practically disappear, but it is well to remember here that the data of private investment is not available for the whole country. Wherever figures are available, the picture is not at all encouraging.

For example, in case of Bombay State the investment of land improvement was about Rs. 4/- per acre in 1948-49 which rose to Rs. 7·9 in 1953-54 on owner cultivated plots. About 70% of the total investment was on irrigated plots and only 30% on undeveloped plots.

The moves for ceilings on land holdings and consolidation of holdings go ill-together. Small holdings will certainly lead to fragmentation within a decade and destroy the hopes for more food output by rendering cultivation uneconomical.

At present we see everywhere in our country the utter failure to co-operation barring a few instances. There does not exist any where in the world co-operative farming through voluntary methods. The very term co-operation suggests the existence of a will to help each other so as to increase production and this requires mental development among the farmers participating in the co-operative farming and the absence of jealousy among each other.

Taking all the above facts into consideration, we should ponder deeply before rushing in with any measure that would not only lead to multiplication of small and uneconomic holdings, but also retard food production at a time when the success of the five-year plans depends on holding food front. Only doctrinaire approach will not do.

If we at all want to have ceilings, ceilings should not be restricted to land alone. They should be extended to industry, business and other fields also. But we should bear in mind that obsessions and fads can never become the foundation for right type of planning.

The urban residents who may view with complacency the imposition of ceiling on agricultural income have only to remember that their turn is not far off. The effects of any overall ceiling on incomes in a growing industrial economy like ours will be too disastrous to contemplate.

REFLECTIONS ON COOPERATIVE FARMING

By: RAMESH CHANDRA AGRAWAL

THE process of sub-division and fragmentation of holdings is one of the chief reasons of the backwardness of Indian Agriculture. The average size of a holding in India is only nearly 5·0 acres as compared to 234 acres in Canada, 145 acres in U. S. A., 40 acres in Denmark, 26 acres in Holland, 21 acres in Germany, 20 acres in U. K. and 14·5 acres in Belgium. In the two chief states of agricultural importance, namely U. P. and Bihar, more than 80% of the cultivators have less than 5 acres of land. The problem is further aggravated by the fact that the holdings in India are not only small but broken up into smaller plots scattered over a wide area. This results in a wastage of not only land but time, labour and capital also. The equipment is not used efficiently, the supervision cannot be properly done, irrigation is difficult, permanent improvements become unprofitable propositions, the cost of production becomes high and farming becomes an uneconomic enterprise. The friction among the brothers increases and ends in litigation. One of the remedies suggested to overcome the evils of fragmentation is the adoption of co-operative farming.

What is Co-operative Faming ?

The term 'Co-operative Farming' has been used rather indiscriminately. Commonly speaking, co-operative farming involves joint cultivation by pooling land and other resources of production. According to Mr. Otto Schiller, "The main distinguishing feature between co-operative farming in its usual sense and individual farming is that the former involves joint use of land." The Planning Commission is of the view that, "Co-operative farming necessarily implies pooling of land and joint management". However, in the correct sense, co-operative farming may be defined as a voluntary organisation of the farmers in order to carry on either all or a few of the agricultural operations jointly for the purpose of obtaining the benefits of large-scale farming.

Forms of Co-operative Farming:

Co-operative farming may take any of the following four forms:

1. Co-operative Better Farming.
2. Co-operative Joint Farming.
3. Co-operative Collective Farming.
4. Co-operative Tenant Farming.

Features of Co-operative Better Farming Societies:

1. Land is not pooled. The cultivation is done individually.

2. Every member retains the right of ownership in land.

3. The member is free to follow his own programme of cultivation except for the purpose for which he has joined the society.

4. The society promotes better farming practices.

5. The society makes arrangement for improved seed, equipment, machinery, credit, marketing of produce, etc.

6. Part of the profits is credited to a reserve fund and the rest is distributed to the members according to the number of shares held by each member.

Features of Co-operative Joint Farming Societies:

1. The land is pooled and managed as one unit.

2. The right of ownership in land is recognized.

3. Members work on the pooled land in accordance with the direction of the Executive Committee and receive wages for their labour.

4. The produce is marketed collectively.

5. Some of the profit goes to the reserve fund and the rest is shared by the members in proportion to the value of their land pooled in the co-operative farm. Sometimes dividends on wages earned by each member are also given along with the dividend on land shares.

Features of Co-operative Collective Farming Societies :

1. The society and not the individual is the owner of the land.

2. The land is cultivated as one unit.

3. All the resources of production are pooled and belong to the society.

4. The members work as labourers on the farm and earn wages according to the quality and quantity of the work put in by them.

5. The produce belongs to the society and is marketed collectively.

6. After making provision for the reserve fund and other things, the profits are distributed mainly according to the wages earned by the members. Only a small part of the profits may be distributed as dividend on shares.

Features of Co-operative Tenant Farming Societies :

1. The society either owns the land or takes it on lease.

2. The land is divided into units and leased out to members.

3. The member works as a tenant and pays the rent of the land he is cultivating.

4. Each member is free to follow his own schedule of cultivation.

5. He is free to dispose of his produce in any manner he likes.

6. The society is responsible for making arrangement for seed, manure, fertilisers, equipment, machinery, credit, etc.

7. The profits* (after making due allowance for reserve fund) are distributed on the basis of the rent paid by each member to the society.

Land Settlement Societies :

Recently, Land Settlement Co-operative Societies have been established on newly reclaimed lands. The land is allotted to the members and the cultivation is carried on jointly. In U.P., such societies have been set up in Meerut district and Tarai region. Under this scheme, it is proposed to distribute the newly reclaimed lands and the lands obtained through imposition of ceilings on holdings to the landless labourers and the cultivators having uneconomic holdings.

Benefits of Co-operative Farming:

The adoption of co-operative farming is said to yield the following economic, social and moral benefits:-

(A) **Economic Benefits:**

1. Better utilisation of human labour.

2. Better utilization of bullock power.

3. Availability of raw materials at cheaper rate due to purchase in bulk.

4. Use of costlier equipment becomes possible.

5. Better utilisation of capital resources.

6. Lower cost of production through better farming practices and increased production.

7. Availability of credit facilities at a lower rate of interest.

8. Economy in the cost of marketing due to sale in bulk.

9. Help from the State in the form of technical advice, subsidies, cheap credit, etc.

(B) Social Benefits:

Co-operative farming at many places has resulted in

1. Improved housing condition of the members.
2. Better working conditions through reduction in working hours.
3. Availability of recreational amenities.
4. Provision of better educational and medical facilities.
5. Better living standards.

(C) Moral Benefits:

1. Generation of co-operative spirit and fellow-feeling.
2. Development of social responsibility.
3. Feeling of security.
4. Imbibing of democratic attitudes and aspirations.
5. Training in leadership.

Present Situation In India:

There are 3,637 co-operative farming societies in India, according to the latest Reserve Bank Statistical Statements on the co-operative movement. Of these, 1,112 are joint farming societies, 637 better farming societies, 415 collective farming societies and 1,373 tenant farming societies. These societies have a total membership of nearly 190,000 and their working capital amounts to Rs. 415 lakhs. Their production is valued at Rs. 136 lakhs out of which 95 lakhs account for sales. The societies brought under cultivation 4.58 lakh acres of land.

In order to study the pattern of co-operative farming being followed in China to increase agricultural production a delegation was sent by the Government of India in July-September, 1956. In the opinion of a majority of the members of the delegation, co-operative farming offered a vast scope of development of agriculture in India. The delegation believed that the adoption of co-operative farming in India would result in better utilization of labour and capital resources, reduction in the cost of production and building up capital assets. It would also offer opportunities for utilising a part of the surplus labour for improving village communication and housing and for the provision of social amenities. A programme of organizing about 10,000 co-operative farming societies–one for every fifty villages–within the next four years has been recommended.

It is intended to bring a large part of agricultural land under co-operative farming in about ten years time. The Planning Commission have suggested that the co-operative farming societies should be given special preference in respect of (i) financial assistance, (ii) supply of improved seeds, fertilizers and equipment, (iii) grant of lease of lands reclaimed by the Government, culturable waste lands, lands whose management is assumed by the Government and lands under the management of village panchayats. Giving facilities for consolidation of lands comprised in co-operative farms and technical and financial assistance in farm operations, marketing of produce and development of allied cottage industries have also been recommended. However, it has been clearly mentioned that only genuine societies should be given these concessions. To evolve better methods of organization and management, the Commission further recommends for taking up, on experimental basis, one or two co-operative farms in each district.

With regard to the methods of pooling of land, the Planning Commission have suggested the adoption of any of the following methods either by itself or in combination with some other forms:

"(i) The ownership of land may be retained by individuals but the land may be managed as one unit, the owners being compensated through some form of ownership dividend ;

(ii) The land may be leased to the co-operative society for a period, the members being paid agreed rent or rents prescribed by law; or

(iii) Ownership may be transferred to co-operative society but shares representing the value of land may be given to individuals."

A meeting of the Standing Committee of the National Development Council was held in september, 1957. Some of the important decisions taken in the meeting regarding co-operative farming were :

(i) 3,000 co-operative farming societies should be started on experimental basis during 1957-61.

(ii) 300,000 families should be resettled on the land obtained through Bhoodan, Gramdan and application of ceiling on holdings.

(iii) Preparation should be taken in hand for the selection of the societies and training of their personnel. Development programmes for the selected societies should be drawn up.

(iv) For the purpose of training the personnel, three regional training centres on co-operative farming, one for the Northern & Central zones, one for Eastern zone and the third for the Western and the Southern zones should be set up.

Special emphasis was laid on the land reforms at the recent Session of the Congress held at Nagpur. Resolutions were passed urging the imposition of ceiling on agricultural holdings and proposing joint co-operative farming. High Level Committee of Congress is of the view that under the present circumstances prevailing in India, Joint farming is the most effective way to increase production appreciably and save the small-holders from poverty and stagnation. To begin with, attempts should be made to organize service co-operatives in all the villages in the country. It is expected that the successful working of these service co-operatives would lead to the formation of joint co-operative farming societies in due course of time.

Progress and Programme of Development in Rajasthan

So far, only about 20% of the villages and 11% of the rural families have come under the purview of co-operative movement in Rajasthan. There are at present 113 co-operative farming societies registered in the state. Of these, 23 are better farming, 38 joint farming, 36 collective farming, 4 tenant farming and 12 land colonisation societies. At present service co-operatives do not exist in the State although the co-operative better farming societies try to fulfil the functions of the service co-operatives to a limited extent. However, for the last two years, vigorous efforts are being made by the State Government to establish service co-operatives in Rajasthan.

The Executive Committee of the Rajasthan Pradesh Congress, in its meeting held at Sikar on the 14th and 15th of February, 1959, have passed the following resolution with regard to co-operatives :

(i) The co-operative movement must be intensified in the State.

(ii) All the villages should be covered by service co-operatives by the end of the Second Plan period.

(iii) Every adult in a village, whether land-holder or landless, should be made eligible for membership of village co-operatives.

(iv) The Government should arrange for pooling and marketing of agricultural

produce of the farmers and provide them with the storage and warehousing facilities.

Hon'ble Sri Gurmukh Nihal Singh, the Governor, in his inaugural address to the budget session of the State legislature on 16-2-59 made a special reference to the following two far reaching land reform measures to be taken up by the Government:

(i) It is proposed to transfer surplus agricultural land to panchayats to be managed by co-operatives consisting of landless labourers.

(ii) All land of the village donated in Gramdan would vest in Gram-sabhas to be managed through farming co-operatives.

As envisaged in the Nagpur resolutions of the Congress, ownership of land will rest with the landless tenants according to the new plan. The co-operatives will direct, manage and control the activities relating to cultivation of such lands. In this connection, all the Collectors in the State have been directed to stop distribution of land to any individual till further orders. They have also been asked to collect figures about uncultivated land and to prepare a list of landless tenants so that the State may get a true picture for taking up co-operative farming.

An eleven member committee under the chairmanship of Sri Damodar Vyas, the State Revenue Minister, has been constituted to study the changes that would be entailed by the implementation of the Scheme. The Committee would consider the question of membership of co-operative farming societies, managing committees and their functions, pooling of land, use of improved machines and agricultural implements, etc. It would also go into the details of the administrative structure of such co-operatives and discuss the changes required to be brought about in the existing legislations to help the implementation of the Scheme.

Difficulties

The heavy odd against the adoption of co-operative farming in India is the peasant's deep attachment to his land. The right, able, honest, sincere and selfless workers, who can run the societies efficiently, are not available, in large number. Many of the co-operative farms in India have been found to be a kind of joint estate farms run by a group of absentee landlords with the help of hired labour to take advantage of the concessions and the privileges offered by the Government to the co-operative farming societies. There are interminable disputes amongst the members regarding the distribution of the profits and other petty affairs. "It is the experience in the Bombay State that in a large number of cases, the wages distributed or the maintenance advances given in the course of a working season have far exceeded the total produce of the society." "To assign tasks among the members and ensure that they are carried out effectively is often difficult because the managers and the foremen who are selected by a majority of votes ....must act in a way to win general favour and this is often not the way which achieves the highest standard of production." "Jealousies between efficient and inefficient workers can be serious. The distribution of profits at the end of the year is likewise difficult to make fairly." It has also been claimed that the cultivation on the co-operative farms is not done so intensively, efficiently and sincerely as on an individual holding. Given necessary technical and financial assistance as is available to the co-operative farming societies, small holders can show better results.

Conclusion

There is no doubt that co-operative farming can be adopted with advantage on newly reclaimed lands, the surplus lands which will become available after the imposition of proposed ceilings on holdings and government waste lands. The difficulty of fragmentation can be considerably obviated with the initiation of cultivation on co-operative lines. Co-operative better farming societies offer the cultivator a chance to avail himself of the benefits accruing to co-operative farming societies while the land is retained and cultivated individually by himself. In tribal areas, where community ownership is still a vogue, agriculture can be usefully developed on co-operative lines. As suggested by the Planning Commission, one or two pilot projects on co-operative farming must be started as experimental measures in each district. The cultivators must be given every inducement to organize and run co-operative farms. Such a method of co-operative farming should be evolved as is commensurate with the educational, moral and intellectual capacities of the people. However, it is yet too early to come to any definite conclusion and in the words of Mr. Otto Schiller, "Only practical experience and the attitude of the agriculturists will finally decide what type of farming is the most appropriate for a quick progress of India's agriculture."

"THE ROLE OF AGRICULTURE IN ECONOMIC GROWTH"

By: A. N. RAJAMANI

THIS is an age of development and increasing satisfaction of wants. The march of science and its application to peaceful uses will reduce the luxuries to necessities, and the costly necessities to low-priced ones in abundance. However, the characteristic feature of the current times in almost all countries is faster rate of growth of demand—more for industries and services than for agriculture—than the rate of growth of production—either of agriculture or other industries and services. Although in this ideologically conflicting world, the approach for growth has been contended by each group, yet, the fact that adequate development of agriculture, in the same pace if not more in which the industries are developed and looked after in the initial stages of planning for prosperity, has not been made an issue. Be it China or India, Russia or U. S. A., the role of agriculture in economic growth has been truly recognized.

But the days are dead when the ultimate economic growth was not necessarily correlated with the way it was to be attained. Many theories were evolved to explain the mysteries of growth, accelerated growth. But none of the theories took any exception, except the traditional humanists, to the sacrifice of the human element at the altar of economic growth. In other words, till some decades back even, it was held and successfully held, that the edifice of economic growth could be erected only on the bricks of million bones. This explains the origin and advancement of the growth of Communism as a political ideology in some countries along with economic growth.

This is where the real scope for thinking came. As capital formation is the backbone for economic growth, could it be collected either through nonmandatory directions to the agricultural population, or through binding instructions issued to them ? As a rule, since millions of people of all countries belonged to agriculture, it had to supply the answer to this poser. Only then the need for pushing agriculture on to the road of improvement and betterment was verily felt. Only then was it realized that the human element could yet be respected and honoured in the process of economic growth. And that alone would decide whether economic growth should be vouchsafed on million bones or trillion smiles.

This latter vision of tending growth on trillion smiles has certainly beheld the virtues and decisions of the planners in India. Added to this has been the traditional individual bent of mind of the people arising from social prestige attached there to. Again, under the present Indian Constitution, agriculture is a State subject, subject to the autonomous States. With the result, the role of agriculture in economic growth has been rendered too much difficult and hard of attainment. Too much of freedom in methods of management and cultivation, and too much of latitude to the State Governments to allow ununiformity to creep in, make the task still harder. As such, the role of agriculture in ultimate economic growth could not be effectively played in India. There is probably so much of indulgence with the human aspect of the problem of growth.

Actually it appears definite from all considerations—levels of overall agricultural production and capital formation, of agricultural and labour productivity, measured either in terms of per acre or per labourer, the degree of exploitation of irrigational facilities and technological advancement etc. — that in India there has not been any proper and full play of agriculture in the country's economic growth. The intended role has failed of materialization.

The one conflict between agriculture and economic growth — that of human element operating through the mechanism of agriculture for capital formation — has developed into a much bigger conflict in agricultural growth itself. The part tries to consume the whole. The bigger conflict is between economic and social efficiencies in agricultural sector. Which shall prevail on the other ? On it will depend any further growth of the entire economy. It is, after all, the agricultural surplus which builds up an economy. Lately the case of Turkey is an instance in point.

But why has not agriculture developed in India, as it should, on chartered lines? Of course, in the total economic growth, as it proceeds on, the contribution of agriculture shrinks in, relatively to other sectors of economic life and activity. But it could never diminish in absolute terms. This is a cardinal feature exhibited in the economic growth of any country. Colin Clark's investigations and penetrating analysis point out to something more also : the conditions of economic progress. One of them is that the surplus of agricultural labour must be progressively seen off from agriculture to other industries and services.

This is where the real conflict of interests in Indian agriculture developes. On the one hand, there is a Darwinian struggle for existence and survival between land owners and tenants ; on the other, a struggle for precedence between economic and social efficiencies. In both the cases, the struggle, the conflict, is intensified with every new

stage which is set for the introduction of further instalments of land reforms.

Whereas the land owners evict tenants and resume more and more lands for personal cultivation, the governments fix the maximum size of agricultural holdings, and take away and settle the excess acreages on the tenants and the landless; the estates are abolished and the holders and cultivators thereof converted into full-fledged ryots. This exuberant thesis of the government (s) is fortified by the sympathies of the Bhoodan and Gramdan species. It looks as if that not contented with the previous pressure on land, evidenced by increasing number of *pattas* and settlement registrations, all are now straining their utmost influence to add further to the previous pressure on land, again evidenced by the comparatively faster rate of conferment of *pattas* and conclusion of registration deeds in a given period.

Instead of centrifugal spread out of the surplus agriculture labour in other industrial-urban sectors, there is centripetal concentration of the surplus labour on agriculture and agriculture alone, flavoured by the Government (s) policies. This phenomenon is indeed diagonally opposed to one of the deduced conditions of economic progress put forward by Colin Clark. Here, therefore, there is an imperative need for rethinking: the scope for and the nature of land reform must be discussed *de novo*.

In fact, in addition to these factors qualifying the role of agriculture in economic growth, there are certain other aspects of agriculture itself which call for considerable examination and prospection. For instance, the way land is cultivated: mechanized or not. For aught we know, the history of Turkey's mechanized farms reads like a legendary story. A chronically deficit area, in a matter of few years, it has changed in its entire complexion—mechanization has reversed the balance of trade of agriculture in its favour, made possible huge exportable surplus, has paid for more than the capital sunk in it and has admirably accelerated industrial pace to the swift development of the entire economy.

For one thing, Turkey does not seem to have compromised with the human aspect because the rapid growth of mechanized agriculture paves for rapid industrialization which automatically siphons off the surplus agriculture labour as it is and as it issues off the increasing rural population every year. For another, there is not much of conflict engendered between economic and social efficiencies; for, with the advent of mechanization, although it may not obtain in all areas, problems of tenures and tenancy are minimized. The truth behind this is, the cause for tenurial and tenancy troubles withers away with rapid upward revision of wage rates and share crops in absolute terms, rendered possible with every increase in production and reduction in cost of cultivation. If power corrupts a few, poverty corrupts millions—and if poverty is dissolved, troubles are ended.

Hence, there is a case for mechanization of Indian agriculture. In the same breath, it could be pointed out that co-operation too either makes or mars the role of agriculture in economic growth. The association of co-operative endeavour is not in respect of the credit aspect alone in the agricultural sector: it is in relation to all its aspects viz. credit, farming, marketing, management, servicing etc. But the history of co-operation in India differs in this respect from that of other countries.

While in some countries, it has been ruthlessly imposed from above without respect for human dignity and

its evolution, in India, it has been left probably too much to individual initiative and spontaneity. One point emerges from this beyond doubt : that compulsion of certain dimensions is required, and its configuration and adoption in a successful way is entirely dependant on the judgment of the discretionary faculties of the governments concerned.

The matter once again boils down to the problem of tackling the human element involved in the role of agriculture in economic growth. In whatever way it is looked at, it makes its existence felt. But it needs to be tackled with a realistic touch, that is, with certain restrictions. The ethics of the delicate situation is this : The rights of individuals are always subject to the law, order and liberty of other individuals; so also, the interests of individuals are always subservient to national interest. Only this will reflect the spirit of sacrifice and adaptability and promote the effective functioning of agriculture as a limb in the country's economy.

There is also another aspect to be noticed. It is this : That the ultimate development of agriculture, in the absence of wholesale mechanization, is conditioned on the availability of an army of intelligent and industrious peasantry endowed with good physique. But the trend of the times is such that the youth of the peasantry move away to towns leaving behind old men to look after cultivation. Such left-outs may not be in a position to toil efficiently on the land. In fact, this type of rural-urban migration, coupled with increasing and higher consumption in changing pattern, has been mostly responsible for the present day food problem of India. Not only this. It cuts away the capital formation on land, thereby effectively corroding on the possible gallant role of agriculture in economic growth.

As such, the Planners are exposed to the glare of the delicate problem of the process of development. If revolution is discounted, evolution connotes normal transition with all its implications. There is room for settlement of agricultural conflicts by reasoned and persuasive arguments, and scope for galvanizing the support of all by appealing logic. However, in the field of agriculture, there is bound to be a period of uncertainty or unstability occasioned by the conflict of interests tolerated by the spirit and provisions of the Constitution and legislative enactments thereunder. But there is no gainsaying the fact that there is progress in this, to the extent to which the disputants agree in compromise of their rigid positions, which paves way for concerted drive for development.

In such a case, the tempo of development in agriculture, although gaining momentum slowly but steadily, will be sustained and the role of agriculture maximized. But some may become impatient with the slow onward march of agriculture, and these may invariably be identified with the extremist groups in the ideological world. For them there are no steps, but only jumps. But the nature of agriculture and the sociology of the peasantry are such, that only a gradual progress accompanied by the sporadic pangs of growth is possible, with simultaneous preservation of the human element. The growth of agriculture and its contribution to economic growth in Japan exemplifies this point.

At any rate, the role of agriculture in economic growth depends on how far the country is able to muster up capital to promote its interests. In undeveloped and underdeveloped countries the problem is indeed stupendous. No nominal investment will come anywhere near the solution of the problem. In fact, even the Keynesian concept of multiplier will

necessarily invoke a prolonged period for its successful operation; even so is Engel's Law. Nevertheless, the pace for development of agriculture may be determined in conjunction with the intended growth of industries.

In as much as progress of industries is devolving on the progress of agriculture, huge multi-point investments will have to be made in both agriculture and nonagricultural sectors. This will induce increasing tempo of development and implement the concept of multiplier expeditiously.

Capital being a definite source of inspiration and proliferation, foreign capital will have to be solicited and sought after in a poor country for making such multi-point investments. Therefore, so long as Keynes does not define the source of capital for investment to set in motion the concept of multiplier, poor countries could certainly draft on foreign capital, and this will help for an enhanced role of agriculture in economic growth. Incidentally, it will leave the human dignity unimpaired and unencumbered.

When such multi-point investments are made, the actual interlink between agriculture and other industries is properly defined. That means planning come into being. It denotes the preordained rates of growth of agriculture and other industries by virtue of prior capital allocation. It sets definite targets and dates for their achievement. It means in a given period only a given rate of progress will be recorded. That means in effect that Planning itself acts as a condition of economic progress, that Planning determines the nature and extent of the role of agriculture in economic growth. In fact, this is where the Planners seem to invariably fail to appreciate the capacity of the agricultural sector to expand or contract under given circumstances.

In India, the Prime Minister admitted last year the nonrecognition by the Government of the entire significance of the agricultural sectoral growth. In Russia the cabinet changes after Stalin are reported to have been the result of shifts of emphasis on agricultural programmes. Hence, there is a case for real and proven agriculturists to be given opportunities in the shaping of agricultural policy in relation to other industries. But for this approach, the role of agriculture is likely to move at a tangent to the Laws of Economic Growth.

ANDHRA PRADESH GRAM PANCHAYATS BILL

By: GOAPL RAO EKBOTE

WHILE the Hyderabad Act provides in Sec. 7 that "there shall be established for every village a Gram Panchayat", the present Bill leaves a discretion with the Government to declare any part of a revenue Taluk to be a village and for such local area a Gram Panchayat is constituted. It has been repeatedly recommended that it is desirable to constitute panchayat units of a population of 1,000 and to this extent if grouping of small villages adjacent to each other becomes necessary to that extent a single panchayat for more than one village may be constituted. But to leave to the wide discretion of the

Government, the delimitation of areas falling within the jurisdiction of a village panchayat would not be helpful.

Even the Madras Act stipulates that for every village of 500 population there shall be constituted a village panchayat. In view of the constitution of Block Samithis in persuance of the Mehta Report, it would be more democratic to provide more opportunities to the villagers if for every village whose population is not less than 1,000 a panchayat is constituted. Contiguous villages with a population of less than 1,000 can be joined together with a view to similarly form a single Gram panchayat for them. By doing so we will be implementing the recommendations continuously made by experts. If clauses 3 and 4 are read with clause 5 of the Bill, it appears possible to constitute a panchayat for a village or number of villages, of course, of one Taluk, whose population can even exceed 20,000. This negatives the very idea of decentralised administrative units.

The Madras Act fixes the strength of the panchayat as minimum 5 and maximum 15 and confers powers on the Inspector to fix the number in accordance with such scale as may be prescribed with reference to population. The Bill however lays down the manner in which the total number of members can be notified by the Inspector. This formula also is based on population and allows six members for a panchayat whose population does not exceed 1,000 and sixteen for a panchayat whose population exceeds 20,000. In both these cases it cannot be said that there is uniform representation based on uniform population. The best course therefore would be to follow the principles laid down in Arts. 81 and 170 of the Constitution prescribing the mode of fixing seats in reference to population for Parliament and Assemblies. This will bring uniformity throughout the State.

With regard to the reservation of seats for Scheduled castes the Bill limits the reservation to the first ordinary elections to the panchayats and thereafter for a period of five years. But no such limit is prescribed for the nomination of women members. The argument that sooner or later the scheduled castes and tribes are bound to fall in line with the rest of the population advanced while limiting the time can with equal force be applied in cases of women, who have not been given any reservation in the constitution. The Hyderabad Act had left the question of fixing the time limit for reservation to watch and see as to whether privileges under Art. 334 of the constitution are further extended to the scheduled castes and then adjust the Section by way of amendment if no extension is granted. The Bill will have to be similarly amended in case such extension is granted.

The most welcome feature of the Bill is fixing the period of panchayats as five years. It is however very objectionable to confer unbridled powers on Government to direct that the term of office of the members as a whole be extended or reduced for a period not exceeding one year. Although a clause, permitting extension in the period appears in many enactments and is some-what objectionable, still it can be supported on sufficient grounds. But to authorise the Government to reduce the period fixed by the statute is something very queer and cuts at the very root of the fundamentals of representation. Similarly the powers conferred on Inspectors to declare that the members cease to hold office on the day of the expiry of the term and appoint a special officer before a new panchayat takes charge after it is

elected, is unnecessary and quite undemocratic. It is also likely to be misused. The best course is to hold elections sufficiently in advance so that immediately after the expiry of the term of office of one panchayat, the newly elected panchayat may assume charge or allow the panchayat to continue until new panchayat is ready to assume charge.

In cases where repeated elections do not return a panch to fill in a vacancy, the right of the panchayat to co-opt, as in Madras, is considered as inexpedient because such co-option by the panchayats the Bill considers does not make the panchayat fully represent a cross-section of the village and therefore the Bill empowers the Inspector to appoint a qualified person in the vacancy. This suggestion is worse than the first. If constituency is unable to return any candidate, the other representatives of the village with their cumulative wisdom and thorough knowledge of the village can co-opt a better qualified person. It would however be more democratic if the constituency is educated to return a candidate in subsequent elections held for this purpose.

The provision regarding the preparation of the electoral rolls of the panchayat requires careful consideration. Because of some administrative difficulties and complications, the Bill considers it desirable that the electoral roll for a panchayat should not be subject to alterations for a period of at least 30 days before an election is held. This will deprive many voters of their franchise. Provision similar to the general election Act in this respect should be followed. The Bill does not provide any opportunity for the correction of electoral rolls after the assembly rolls are adopted for the purposes of panchayat elections. It would be more appropriate if, after such adoption, reasonable time is given for the correction of the list. That will create immediate interest locally and the voters' list for panchayat election could be brought upto-date. Correction process can be allowed to continue till a few days before the nomimations are filed, as is the case with general elections. Experience has shown that when the date for nomination approaches atmosphere for election is created therefore to close the list without giving proper opportunities for the correction of electoral rolls 30 days before the election would dampen the atmosphere, and genuine enthusiasm which is necessary will have been lost.

It is inevitable that all systems of delegated Governments must be controlled to a degree by a central authority if equitable and just principles are to be maintained. This is seen even in the sphere of constitutional State Governments. The individual States are largely autonomous, but their policy and work are co-ordinated at New Delhi by the federal authority. In local Government it is clear that some system of control by the Central authority is required for proper direction, unification, and co-ordination of the services of the local authorities. Otherwise the standards and extent of these services would be dissimilar in many districts and this would be manifestly unfair to the population as a whole.

This does not however mean that there should be more concentration at the State level. Those who believe devoutly in the democratic process have always urged the use of methods that will keep the administration of state functions from becoming so concentrated at the State capital, so distant from the every day life of ordinary people, as to wither and deaden the average citizen's sense of

participation and partnership in local Government affair ; for, in this citizen participation lies the vitality of democracy. Democracy has to function through certain executive machinery, but the democratic Government operating over large areas through its executive machinery cannot adequately appreciate local needs and local circumstances and may not adjust set patterns to such needs and circumstances. It is, therefore, necessary that there should be a devolution of power and a decentralisation of machinery and that such power be exercised and such machinery controlled and directed by popular representatives of the local area. If the panchayats are to function with vigour, initiative and success, the Government will have to devolve upon it all of its own functions in the fields falling within the panchayat's jurisdiction, reserving to itself the functions of guidance, supervision and higher plannings and when necessary providing extra finances.

Viewed in this background, various provisions of the Bill concentrate unlimited powers either in the hands of Inspector or the Government making these bodies virtually hand-maiden of these authorities. Right from the delimitation of a constituency in reference to a fixed population and area to the dissolution of the panchayat virtually the entire process is controlled. The fixation of the number of members of a panchayat, extending or reducing the term of the panchayat, appointing a qualified person in vacancy, removal of disqualifications, deciding the disputes of members, in regard to their qualifications or disqualifications, removal of temporary president, removal of any member, president or vice-president, appointment of special officers and superceding and dissolving panchayats—all rest with the Government. This apart there are powers to control the orders passed by the panchayats and subsidiary legislation made by them, control over their officials, inspection, audit, control over grants and loans, power of acting in default and appellate or revisional functions etc. If all these provisions are read together what powers are left and what freedom is given to these bodies is a question which must be carefully considered.

Our quarrel with such control today is not that it is excessive, but that it is also on many occasions wrongly exercised. If such a control is considered necessary because of some fears and apprehensions regarding the efficiency and integrity of the individual panchayats, there is other remedy more effective than such type of out-moded control. Centralisation and even autocracy may even appear more efficient than decentralisation and democracy for a short time, but in the long run democracy or decentralisation assert themselves and succeed better, especially in the field of local development and local welfare. The lack of efficiency of many of our present rural self-governing bodies has been due to too large a jurisdiction, too few powers, too scanty finances accompanied by an absence of close and sympathetic relations with the village panchayat and of wise and judicious guidance by the Government. Nor have any efforts been made either by the Government or by the public or political organisations to impart necessary training in administrative matters to persons elected to such bodies. In the light of this discussion it is hoped that the Government will suitably amend the provisions relating to the control in a manner which will make these rural local bodies real units of self-governments.

It has however to be borne in mind that whatever may be the outward

structure or the inward arrangements of the institutions, their ultimate success will largely depend on the personnel working them and on the spirit with which they are worked. It is the spirit in which the panchayats work and the extent of leadership they provide that would ultimately determine the future of the Government. I have no doubt that the Government will improve the Bill and remove these defects and remodel it in the light of the suggestions given by various committees and commissions.

PROBLEMS AND PROCESS OF SOVIET ECONOMIC GROWTH

By : **J. R. CHAWLA**

THE U. S. S. R, once a backward agrarian country, has become a highly developed industrial power in the course of just 42 years. Out of these 42 years 18 were taken up by wars and postwars rehabilitation which added nothing to capital formation. Yet over a period of 12 years (1928-40) industrial output rose by 650% and real per capita income by 350% and significant trends were observed in national productivity. Thus, while in 1913 Czarist Russia was fifth in the world and fourth in Europe for industrial output, today the Soviet Union is first in Europe and second in the world, surpassed only by the U. S. A. The USSR has already outstripped the United States in the production of wheat, sugar and timber. This is an achievement equal to, if not greater than, the launching of Sputniks and Luniks. The accelerated pace of Soviet economic growth has a lesson for those economies that are dedicated to planning. It is a challenge of the day.

New Economic Policy

The economic system which emerged in the '20's after the War, Communism, under the so-called New Economic Policy represented a mixture of social and economic elements. The cornerstone of the NEP was that the individual peasant, after payment of a fixed Agricultural Tax, was free to trade his surplus produce as he pleased. This policy was adopted after the futile struggle with *kuluk* class which had been antagonistic to Soviet economic growth. Thus between 1913-27 the Soviet economic growth retained almost stagnant characteristics as indicated by the following table.

Russian output (in million of Roubles)

Year	Agriculture	Industry	Home Industries
1913	11,900	5,600	1,400
1921	5,900	1,100	600
1924	8,900	2,600	800
1925	9,500	4,000	1,000
1926	11,300	5,800	1,200
1927	11,900	6,600	1,200

The 1927 level was almost to catch up the 1913 level of economic growth which was showing a downward trend due to war and the Revolution.

The Soviet Planning

With the NEP starts a process of sustained economic growth. The "Soviet way of industrialization" accelerated the Soviet economic growth. Of all the investment in this process some three quarters were devoted to heavy industry producing capital goods. The broad aim

of this policy was to create a spring-board for future industrialization. In addition to the 16½ milliard roubles devoted to investment in large scale industry (out of a grand total investment of 64½ milliard), a further 4 milliard was assigned to electrification and 10 milliard to transport.

The second and third (uncompleted) Five-Year Plans maintained the general emphasis on capitalization of the Soviet industries, though with some easing off in the pattern of the production of consumption goods.

During the decade of the first two plans the rate of growth was sufficiently rapid to effect an increase in steel production by nearly 4 times, and electricity by 7 times between 1928-38. On the eve of the war the "catch up and overtaking" of the West in *per capita* output levels as well as in absolute quantities was being set as the target of the next two decades. The comparative figures of the first and the second plan exhibit this tempo.

Year	Oil prodn incl. gas	Manganese ore	Anthracit
1928	11,749,000 tons	702,400 tons	35,500,000 tons
1932	22,319,000 ,,	832,100 ,,	64,700,000 ,,
1937	30,600,000 ,,	2,752,000 ,,	127,100,000 ,,

The trend between 1930-50 is still more impressive especially in the production of capital goods and those raw materials that feed these goods.

Product	Unit	1913	1928	1938	1940	1942	1950
Pig iron	m. tons	4.2	3 3	14.6	15.0	22.0	19.5
Steel	,,	4.2	4.3	18.0	18.3	27.5	25.4
Rolled steel	,,	3 6	3.4	13.3	—	21.0	17 8
Coal	,,	29.2	35.5	133.0	166.0	243.0	250.0
Oil	,,	9.2	11.7	32.0	31.0	54 0	35.4
Rly. Loco. Conv.	Unit	418	478	1626	—	2340	2720
Tractors	Thousands	—	1.2	80	—	—	112

Currently the state is investing enormous fund in capital formation. From 1928 to 1957 the production of labour in construction has increased 5 3 times due to enormous industrialization and mechanization. In 1958 an amount of about 200,000,000,000 roubles was invested in construction work and un-employment was completely eliminated by 1930.

The Bottlenecks in Growth

The first problem was the availability of industrial finance for the country isolated in a hostile capitalist world. Second was the problem of procuring raw material from the rural sector to feed the industries. This was made even more acute by the hostile attitude of *kuluks.* Thirdly, the output capacity of the metal industry, in particular steel and engineering and the problem of increasing export surplus created a major bottleneck. Connected with these bottlenecks was the problem of industialization and the degree of regional self-sufficiency as regards lighter consumer goods and the complex of subsidies.

Consumption Pattern

The high rates of investments were not consciously deliberated on the expense of a reduction in living standard. In the main they can be called 'extraneous' and accidental factors. These circumstances were: the occurance of two consecutive bad harvests; a sharply unfavourable movement in terms of trade owing to price movements in world market during the world economic crisis, and the destruction of capital assets by the *kuluks.*

The new Seven Year Plan (1959-65) contemplates 9.3% increase in the manufacture of means of production whereas consumption goods production should rise by 7 3% annually. This 7·3% annual increase will equal the total industrial output of the Czarist Russia in 1913 and will amount to 2/3 of the 1950 figure of consumer goods production in the USSR. In 1965 the USSR is to produce 86 to 91 million tons of steel or 2/3 more than in 1958, 230 to 240 million tons of oil, an increase of more than 100% compared with 1958. By 1970, it is said, the USSR would attain the highest *per capita* consumption in the world, *ceteris peribus*.

Review of Industrialization

During last few years 2,400 new large state owned undertakings have come into operation including Kuibysher Hydropower Station (largest in the world) and 3 times bigger than the Dneproges. Eleven powerful blast furnaces, 4 converters, 14 open hearths furnaces, 10 rolling mills, 15 coke batteries and various other plants have been established.

Industrial output increased 33 fold in 1957 as compared with 1913. The output of the means of production went up by 74 folds. From 1953 to 1957 the overall industrial output in the USSR increased by 55% in contrast with 9% of the USA.

In labour productivity the Soviet Union has outstripped Britain and France and is now catching up with the USA While it increased 9½ times in the USSR, it recorded only 2·3 times in the USA (base = 1913), 1.4 times in the U.K. and 1·3 times in France.

New Stimuli for Development

Having abolished the antagonism in the factors of production the USSR has provided the basic social stimuli through planned regimentation. The establishment of the councils of national economy has made it possible to utilize available resources in the most appropriate manner. It has provided better conditions for specialization and co-operation in production for the integrated economic development, fuller utilization of equipment and the rational movement of freight.

Social Amenities

The number of factory and office workers employed in the Soviet national economy has increased from 12,900,000 in 1913 to 52,600,000 in 1957 while the Socialist Revolution actually guaranteed the rights of all Soviet citizens to work, education and leisure.

The Government annually allots tremendous sums for social insurance, allowances, pensions, scholarships, free education and medical facilities. The problem of unemployment has been completely eliminated under social guarantees since 1930.

Growth of National Income

The national income in the USSR in 1957 was 20.2 times and the *per capita* income almost 14 times as great as in 1913, while in comparison with 1913 the national income in 1956 was only 3.2 times greater and the *per capita* income 1.9 times greater in the USA. The corresponding figures were 1.9 and 1.7 for Britain and 1.8 and 1.7 for France.

Soviet national economy has reached a point when it can progress even more rapidly and ensure a continuous expansion of production of the means of production and the accumulation of social wealth. The new Seven Year Plan envisages a growth of national income, mostly through industrial origin, at 162-165% rise with 1958 as the base year.

HEALTH CO-OPERATIVES IN INDIA

SURENDRA PRASAD SINHA

HEALTH is fundamental to national progress in any sphere. In terms of resources for economic development, it is a measure of the energy and capacity of the people as well as of the potential of man-hours for productive work. For the efficiency of industry and of agriculture the health of the worker is of great importance.

In the First Five-Year Plan 5.9 percent of the total outlay (140 crores) was spent on health services. In the Second Five-Year Plan, although the absolute sum to be spent on health services increased to 274 crores, yet its percentage to the total outlay decreased to 5.7 percent. As a result of planned expenditure on health services during the First Plan period it is estimated that the number of medical institutions increased by 16 percent and of beds by 10 percent. It is expected that by the end of the Second Five-Year Plan there may be an increase of about 26 percent in institutions and of about 24 percent in hospital beds.[1]

It is realised by all concerned that the provision of adequate health protection to the rural population is the most urgent need of the hour. For this purpose primary health units have been established in as many development blocks possible for providing an integrated preventive and curative medical service in rural areas In the First Five-Year Plan 725 health units were set up and it is proposed to establish over 3,000 health units in N. E. S. and Community Project areas by the end of the Second Five-Year Plan. It is also proposed to convert nearly 131 existing dispensaries into primary health units and to set up a number of secondary health units.

Even then, today, there is great shortage of medical personnel. As norms to aim at, there should be one hospital bed for 1,000 population, one nurse and one midwife for every 5,000 population and one health visitor and one sanitary inspector for 20,000 population.[2] It seems that, even by the end of the Second or Third Five-Year Plan the norm is not likely to be achieved.

However, it is a matter of great satisfaction to note that the people have come to realise the importance of health and sanitation in life. People are quite conscious of the necessity and the desirability of the health measures adopted by the Government under the N.E.S. and the Community Development Programmes. A study of people's response to the community development programmes in Orissa was undertaken by the Department of Rural Economics and Sociology, Utkal University, Cuttack. The study revealed "that in the Bhanjnagar area, 11.5 percent of the persons said that the anti-malarial measures taken were satisfactory and 81 percent said moderate. In Bhadrak area about 22 percent regarded the measures satisfactory and about 59 percent as moderate and 19 percent as quite unsatisfactory.

In Bhadrak area, it was ascertained that D. D. T. was sprayed once a year in every village and similarly in Bhanjnagar area in every village D. D. T. was sprayed once or twice in course of the previous five years. Similarly, with regard to general health facilities and

(1) Planning Commission's Second Five-Year Plan, 1956, Page 534.

(2) Planning Commission, Second Five-Year Plan 1956, Page 537-38.

provision of maternity aid, in Bhanjnagar area, about 10 percent of the persons said that much work was done for provision of medicines and vaccinations etc., 70 percent said some work was done. For maternity aid 7.5 percent said that the work was much, 28 per cent said some work was done and 57 percent said no work was done. In Bhadrak area, about 17 percent of the persons said that much was done for provision of general health facilities, 43 percent said some work was done, and 39 percent said no work was done. For maternity aid, 17 percent said much was done, 31 per cent said some thing was done and 52 percent said no work was done".[3]

In short, although many people realised the benefits of these measures and felt that better results would be produced if the schemes are intensified, yet it seems that a very small number of people in both the areas took adequate advantage of the general health and maternity facilities provided by the project authorities. The reason may be the short supply of facilities or poor economic condition of the people, who inspite of the provision of health services cannot afford to utilise it because they do not have adequate purchasing capacity.

In such circumstances it appears that the two fundamental difficulties in general provision of health services are the shortage of personnel and the high cost of medicines. Free medical facilities to all is the ideal but, at present it is difficult to achieve. Here, it would be worth while mentioning some experiments in Health Co-operatives that are being carried on by "American Friends' Society (Quakers) at Barpali in the district of Sambalpur, Orissa. The Quakers have adopted health services as a part of general extension services covering nearly 44 villages in that area. Their health programmes consist of two constituents namely Pre-paid health schemes and health co-operatives. Both combined together, they form a programme of Health Insurance Scheme.

Under the pre-paid health scheme started from 1955, covering 33 villages every member under this scheme has to pay Rs. 2/4/- per year as a membership contribution for a family of 6 members. For every additional member an additional sum of Rs. 1/4/- is charged. There are at present nearly 800 members under this scheme.

The scheme provides free services of the doctor to the members and to non-members a service charge of annas three is imposed for every visit Medicines are sold both to members and non-members on subsidised prices. Special subsidy is given for certain diseases. As for instance, T. B patients pay Rs. 3/- per month but they usually get medicines worth Rs. 20 per month, while leprosey patients pay Rs. 1/- per month and get medicines worth Rs. 5/- per month. Milk is given free to patients, mothers and babies. The whole expenditure under this scheme is met by the project (Quakers) and the members' contribution is utilised for payment of the salary of the health workers. The sale of the subsidised medicines is managed by the sisters (nurses).

Under the health co-operatives scheme, a health co-operative has been started at Satulma village covering 17 villages of the Satulma panchayat area. Three hundred members have joined the co-operative and the system of contribution is the same as that under the pre-paid health schemes. The co-operative unit has a health clinic and two nurses look after that. The doctors from

(3) Seminar papers (1957-58) Pub. by the Dept. of Rural Econ. and Sociology, Utkal University, Cuttack.

Barpali visit this clinic once a week. The services of the doctor are free to the members and the non-members have to pay As. 5/- per visit as the service charge of the doctor.

This co-operative unit has three main activities first, providing free services of the doctor, undertaking subsidised sale of the medicines and doing other clinical works. Membership fee is the capital of the co-operative unit and the project provides services and medicines at subsidised rates. Although it is expected that the salary of the two nurses will be met by the members themselves, yet the contribution has never been so large as to cover this item of expense. Thus the project has contributed at least 50 percent of the expense under this head. Similarly nearly 5 percent cost of the medicines has been subsidised by the project. All other expenses of the unit are met by the project.

The commendable aspect of the whole programme is the integration of other programmes of development with the health programmes As for instance, the nurses are primarily supposed to look after general clinical problems, maternity, child welfare, pre-natal and post-natal care and sanitation of the villages. But along with these activities they are also trained in sewing and gardening and as such they organise and manage sewing classes, and look after gardening, and adult education programme of the village.

Thus it appears that the organisation of health co-operatives on similar lines in our villages where health units under N. E. S. and community projects schemes are not functioning will be of much help to the people. At least, free services of the doctor and subsidised sale of medicines can be provided on a large scale through such co-operatives.

Further, even in the N E S. areas where health units are functioning there is great scarcity of medicines and whatever medicines are available, the prices are generally prohibitive. In such areas, at least subsidised sale of medicines and grant of special subsidies for certain diseases like T. B., Leprosey, Malaria etc. as organised under the pre-paid health scheme should not be a very difficult task.

We are already committed to organising development of rural areas on co-operative basis and it won't be out of place to emphasise that a good beginning can be made in this respect by organising health co-operatives in rural areas This would create incentive for co-operation, encourage people's response and provide a base for organising many other service co-operatives needed for the planned development of rural life and living.

MARKETING OF AGRICULTURAL PRODUCE AT VARANASI (U. P.)

By : A. MAJUMDAR

Introduction

THE days of self-sufficient village economy of India are long past. Things have changed now. The cultivator sells his surplus produce and the money thus obtained is used to buy other necessities. Consequently, it is the money received by the producer by selling his surplus produce that determines the economic position of the produce which in turn dictates his production trend too. Thus the marketing of agricultural produce plays a pioneering role in the national economy of the country. Only higher agricultural production cannot improve the lot of the cultivators, as we know that with the present faulty system of marketing the major portions of benefits of better farming and higher agricultural production will be swallowed by the intervening intermediaries and middlemen who form the strong links in the present marketing system by their sound financial and organizational position, unless we have an efficient marketing system.

But before stepping forward for any reconstruction, we should know what is the present condition and weaknesses for which we are thinking of reform. With this object the study of marketing of agricultural produce at Varanasi (U. P.) was taken. The following pages present the picture of agricultural Marketing system at Varanasi (U. P.) with special reference to Linseed.

Location And Background

Varanasi is situated in the South-east part of Uttar Pradesh. It is district headquarters connected by North-eastern and Northern Railway both. It is the main assembling and distributing market of agricultural produce for the district. The market is a pretty old one which was started near about a century ago.

The market is situated at a distance of about two miles from Varanasi Cantt. Station, about one and a quarter miles from Kashi Station and about two miles from Varanasi City Station. This is transhipment point of Broad guage and Narrow gague lines, hence the traders of North Bihar and East U. P. find it convenient to import at Varanasi and despatch to other places. This saves them from losses in handling and transhipments done by railways. The market is a secondary one and connected with many other markets such as the markets of Naugarh, Dudhi, Bhabtwa, Chandauli, Chakia etc. The village merchants and itinerant dealers bring their produce from the adjoining primary markets and sell it here to the commission agents and other stockists through the Kachcha arhatiyas.

The market is regulated by an organisation called "Kashi Khadya Beopar Mandal" which is mainly an organisation of traders. Market charges are fixed by this organisation in a general meeting held in the beginning of the year.

Assembling

The following agencies are generally engaged in the assembling of Linseed in the market :

(i) Producers.
(ii) Village Merchants.
(iii) Itinerant dealers.

(i) *Producers* :—About 10% of the total produce is assembled by the

cultivators themselves. Generally, the farmers of vicinity bring their produce to sell in the market in order to secure better price. Small producers consider it better to sell their produce in the village than in mandi to avoid deception and botherations existent in the mandi. It is uneconomic for them to bring their produce in the mandi as the cost incurred to bring their produce in the market generally nullifies the advantages of more profit which is the ultimate aim. The big cultivators bring their produce to take the advantage of large scale sales.

(ii) *Village Merchants*:—They are petty shop-keepers of village side whose business is to sell consumer goods to villagers in cash or on credit or in exchange and purchase of cultivators' produce. Sometimes they include money lending in their business and act as financier in assembling. They generally make arrangements for the sale of the produce of those cultivators who are their clients. The share of the produce assembled by them is estimated at about 50% of the total arrivals in the market.

(iii) *Itinerant dealers* :—They go from village to village, even from door to door, making purchases. They collect the produce from villages and village markets and carry it to the assembling centre from where it is despatched to Calcutta or other consuming centres. They operate individually with their own capital. Their share is estimated at about 40% of the total arrivals.

Market practices

Method of sale:—Cultivators with their produce loaded in carts come from villages and gather round the Kachcha Arhatiyas' shop. Purchasers come and take sample from each cart. The price is settled between the parties with the help of Kachcha Arhatiya who plays the main role in the price settlement. The seller is not paid much attention, only for formality's sake an approval is taken from him in a nominal way so as to avoid future complications.

Method of delivery :—After settling the price, the produce is brought to the purchaser's shop or godown for weighing. The produce is weighed with the help of balance by labourers who are called 'taula'. Linseed is filled into bags and removed by labourers (who are called 'Palledars') to godowns or some other storing place.

Malpractices :

The following malpractices are observed in the market, which are mainly due to the absence of any organisation of producer-seller :—

(i) In fixation of prices the role of cultivator is negligible.

(ii) The Kachcha Arhatiyas though employed by the seller are more inclined towards the buyer and favours him at the expense of the seller.

(iii) Even the weighman (taula) favours the purchaser manipulating against producer-seller.

(iv) In paying market charges the producer-seller has nothing to say, he has to silently pay the charges as fixed.

(v) Charges paid in kind are not weighed with the result that more than double the amount is charged.

(vi) There is a common practice that after the settlement of price and during the time of weighment, the buyer complains of the quality of the produce and charges some refraction.

(vii) If any dispute arises between the buyer and the seller, there is no one to support the latter and the former always wins.

Market Functionaries

The functionaries engaged in the market are as follows :—

(i) Pucca Arhatiya

(ii) Kachcha Arhatiya

(iii) Broker

(iv) Weighman (taula)

(v) Handling labourer (palledar)

(vi) Market servant

(i) *Pucca Arhatiya or Wholesale merchant*:—Wholesale merchants purchase large quantities of produce in the market. They provide the link between a distant seller and buyer. Wholesale merchants sell their produce to retailers of the market and to distant wholesalers. Pucca arhatiyas form the main channel of distribution and command the trade by virtue of their sound financial position. They assume some of the risks of marketing and perform marketing activities more cheaply than others by exploiting the advantage of large scale handling.

(ii) *Kachcha Arhatiya or Commission Agent* :—Kachcha Arhatiya is an intermediary who forms the connecting link between the seller and the buyer in the market and is responsible for the sale of his client's produce. He gives shelter to his clients and sometimes provides storing facilities for the produce brought for sale. It is he, who negotiates with the Pucca Arhatiya on behalf of his client and fixes the rate. He charges his commission (arhat) @ Rs. 1/9/0 per Rs. 100/-worth of sale of the produce from sellers.

(iii) *Broker* :—He is another type of middleman operating in the market, who brings buyer and sellers together but only in wholesale transactions. He practically maintains no establishment. He represents both the buyer and the seller and charges commission from both the parties, which is known as 'Dalali' @ -/4/- per Rs. 100/- of the sales conducted.

(iv) *Weighman (taula)* :—The person performing the work of weighing is known as weighman or taula. He is either a servant of one of the arhatiyas or of the market. His remuneration is known as 'taulai' and is paid at Rs. 1/9/- per 100 bags by the seller and Rs. 6/4/- per 100 bags by the buyer.

(v) *Handling labour (palledar)* :- He is a market labourer or porter, who performs various functions of handling e.g. loading and unloading the produce, stiching the bags, stocking etc. His wages are known as 'palledari' which is paid @ Rs. 6/4/- per 100 bags by the seller.

(vi) *Market servants* :—They are watchmen, watermen, sweepers, etc. who serve the market according to their professions. They are also paid by the seller in kind, besides a fixed monthly payment from arhatiyas.

Market Charges :

Market charges can be divided into two broad heads :—

(i) Charges paid by the seller; and

(ii) Charges paid by the buyer.

(i) Charges paid by the seller:—The charges include the expenses incurred by the cultivator, itinerant dealer and village merchant from his entrance into the market to final disposal of his produce.

(ii) Charges paid by the buyer:—These are the charges which the buyer has to pay to different functionaries in marketing the produce.

Usual charges incurred in the market are as follows:—

Arhat:—This is arhatiya's commission or remuneration to be paid by the seller in cash @ Rs. 1/9/0 per 100/- of sale of linseed.

Taulai—This is the remuneration of weighman who weighs the produce to be

paid by the seller @ Rs. 1/9/0 per 100 bags of sale and by the buyer if he is not on monthly salary @ Rs. 6/4/- per 100 bags of transaction.

Palledari :—This is the wage for the labourer who unloads the produce from the cart and stocks in the store, paid by the seller @ Rs. 6/4/- per 100 bags of sale.

Dharmada:—This is a deduction made by arhatiyas from seller @ -/4/- per Rs. 100/ sale which is deposited in a separate account and utilised in some religious purposes.

Gaushala—It is a customary charge of the market payable by the seller @-/-/6 per Rs. 100/- of sale which is maintained in a separate account and utilised in looking after Gaushala.

Gopal Mandir :—It is a deduction charged from the seller for the maintenance of Gopal Mandir at the rate of -/6/3 per 100 bags of produce sold.

Beopary Mandal : It is a deduction made from the seller for the organisation of Beopary Mandal @ Rs. 1/9/0 per 100 bags of produce sold.

Committee :—It is charged from the seller @ Rs. -/2/- per 100 bags of produce sold.

Octroi :—This is a duty charged from the seller by the Government @ Rs. -/4/- per maund of produce sold.

Miscellaneous :—The seller has to pay in kind to other functionaries of the market such as watchman, waterman, sweepers, etc. @ 6¼ seers of linseed per 100 bags of sale.

The following table shows the market charges payable on produce worth Rs. 100/- :—

MARKET CHARGES PAYABLE ON PRODUCE WORTH Rs. 100/-

Particulars:	Rate	Amount Rs.	As.	P.
Charges Payable by the Seller :				
1. Arhat	Rs. 1-9-0 per Rs. 100/-	1	9	0
2. Taulai	Rs. 1-9-0 per 100 bags	0	1	0
3. Palledari	Rs. 6-4-0 per 100 bags	0	4	0
4. Dharmada	Rs. 0-1-0 per Rs. 100/-	0	1	0
5. Goushala	Rs. 0-0-6 per Rs. 100/-	0	0	6
6. Gopal Mandir	Rs. 0-6-3 per 100 bags	0	0	6
7. Beopary Mandal	Rs. 1-9-0 per 100 bags	0	1	0
8. Committee	Rs. 0-2-0 per 100 bags	0	0	1
9. Octroi	Rs. 0-4-0 per md.	2	0	0
10. Miscellaneous	6¼ seer per 100 bags	0	1	0
	Total..	4	2	1
Charges Payable by the Buyer :				
1. Packing charges	Rs. 31-4-0 per 100 bags	1	4	0
2. Taulai	Rs. 6-4-0 per 100 bags	0	4	0
3. Wikashi	Rs. 1-9-0 per 100 bags	0	1	0
4. Dalai	Rs. 0-4-0 per Rs. 100/-	0	4	0
	Total..	1	13	0

The above table shows that 67% of the charges are paid by the seller, whereas only 33% are paid by the buyer, which shows that there is no regulation on market charges and they are high and numerous.

Wholesale Distribution :

The movement of linseed from assembling market (secondary market) to the consumers through retailers and oil mills at Varanasi and through terminal market is discussed below :—

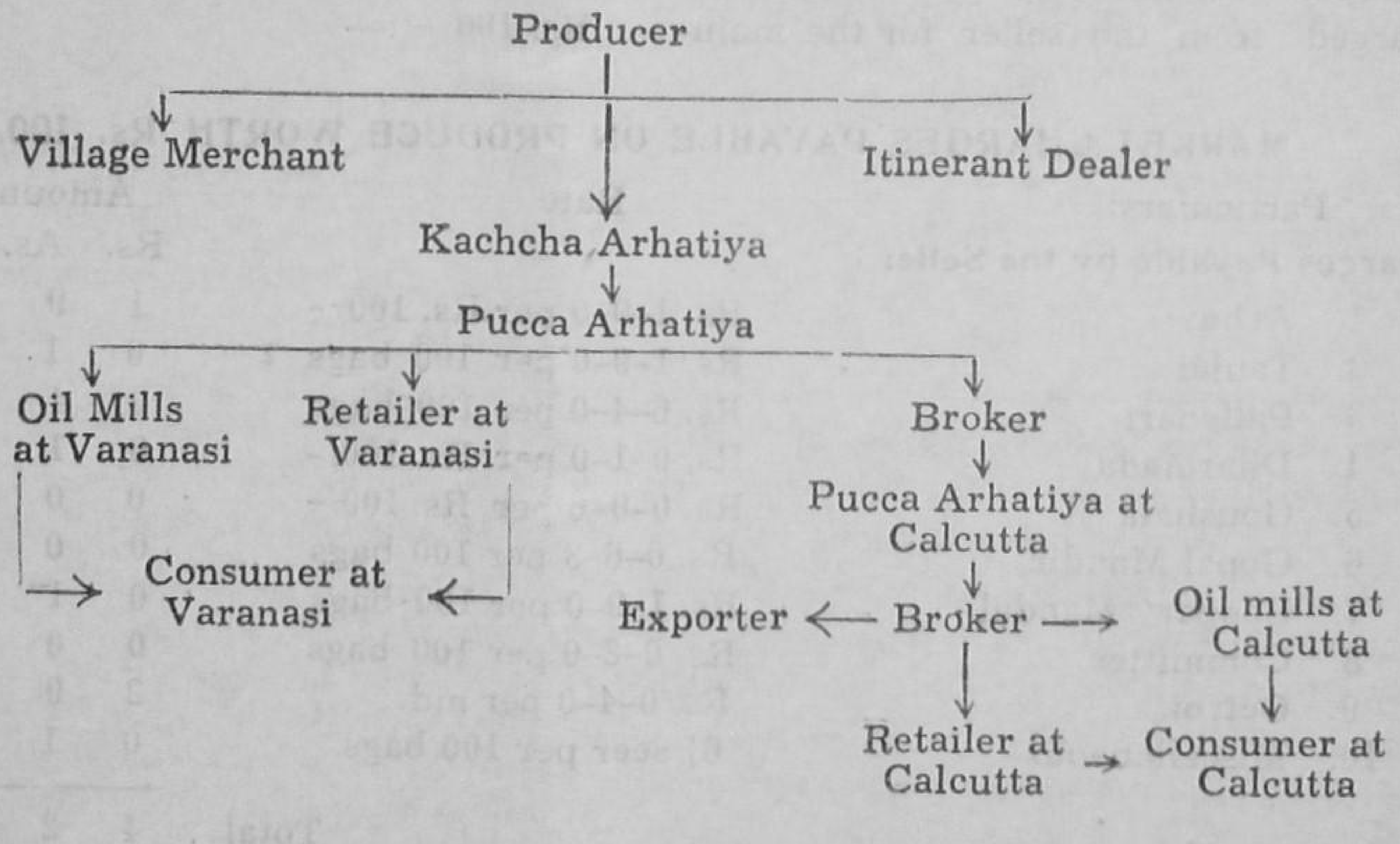
Pucca Arhatiya or Wholesale merchant :—

They make purchases of produce from or through the Kachcha Arhatiya in the assembling market as discussed above. The goods are then stored and sold either to retailers and oil mills at Varanasi or to the wholesale merchants of terminal market, oil mills and exporters.

Exporters :—Generally, exporters purchase their requirements from Pucca Arhatiya or wholesale merchants either from secondary markets or from terminal markets.

Oil Mills :—Generally, oil mills buy their requirements through wholesale merchants, either in the local market for preference or at more distant places. Ordinarily, the oil mills do not participate in the trading of linseed, though on occasions, when it suits them to do so, surplus stocks are sold off.

CHANNELS OF DISTRIBUTION OF LINSEED



The existence of a long chain of intermediaries naturally reduces the share of the consumer's price received by the grower. The following table shows the percentage of shares accuring to the various agencies for Linseed :—

Average share of consumer's price of linseed by growers, different agencies and other items in the process of marketing as investigated :

Grower	73.25%
Transport and handling	10.33%
Miscellaneous	9.41%
Wholesaler	2.96%
Retailer	4.04%
	100.

Transport

Railways, motor trucks and bullock carts are used for transporting the produce to and from the market. They are used according to the distance and amount of the commodity to be transported.

Railways :—It is the most important means of transport for exporting linseed. For short distances or for less quantities neither the railway wagon is available nor economical.

Motor trucks :—These are generally used for transporting to a distance 30 to 70 miles. Generally dealers of other feeding markets purchase linseed and transport it to Varanasi by means of trucks to secure a better profit. It is also used by wholesale merchants to export linseed to other markets, such as Howrah, Saran District of Bihar etc.

Bullock carts :—A great bulk of commodity is assembled in the market by means of bullock carts. Producer-sellers, village merchants, itinerant dealers, Kachcha arhatiyas and traders of primary markets often use bullock carts for bringing their produce in the market. Their use is economical on Kachcha roads and for short distances.

Pack Animals :—Camels are rarely used for transporting linseed. Mostly village merchants use them. Their capacity is 10 to 15 maunds only.

A comparative study of distance covered, capacity and cost per md. of various means of transport is given below :

Distance Covered, Capacity and cost per md. of Linseed by various means of Transport

Particulars:	Distance *covered:*	*Capacity:*	*Cost per Md.*
Motor Trucks	30-70 miles	80-150 Mds.	3 pies to 6 pies per mile
Bullock Carts	15-20 „	15-25 „	1 anna to 1 anna 3 pies per mile
Camels	10-12 „	10-15 „	1 anna to 2 annas per mile

Classification, Grading & Standardisation

Classification :—Under this heading different varieties and classes of linseed arrived in the market are noted. At the time of bargaining the purchaser inspects the produce and takes into account the class according to which the price is settled. The linseed may be classified on the basis of following factors :

(1) Size of the Grain.

(2) General appearance.

Grading. No grading is practised in the market, but can be done keeping the following factors in view :

(1) Oil content.

(2) Refraction percentage.

(3) Moisture content.

In the refraction again the following items can be included :

(1) Non-oleaginous impurities.

(2) Oleaginous impurities.

(3) Damaged grain.

Standardisation. There are several grades of each district and state but unless the grades are standardised and certain standard grades are evolved with their specifications, the main aim of grading will be in vain. There is no Government compulsion on the classification, grading and standardisation of linseed. In the market, no grading and standardisation operation is carried out. Though the sellers and buyers have no idea of grading and standardisation, still

at the time of fixing prices of produce it is based on the quality factors such as size of the grain, proportion of impurities present etc. and both of them know that a particular quality fetches better price in the market.

Marketing Finance :

The provision of necessary finance for moving crops from the farm to the consumer is as important as any other marketing function. Almost all the market functionaries engaged in the assembling and distribution of the commodity right from cultivators to wholesale merchants and exporters depend to a greater or lesser extent on outside finance to carry out their operations successfully.

Financing of cultivators :—Though cultivator generally does not require any money to move his crop to the primary market, still his financial position or in other words the amount indebted by him determines to a large extent where and when to dispose of his produce. The cultivator generally depends on village merchants (baniya) or the mahajan or sahukar (money lender) for all financial help. The rate of interest varies according to the standing of the borrower and may be anything from 12 to 15% per annum. The cultivators are also financed, to a certain extent, by itinerant dealers and the merchants in the local assembling markets.

Financing the Village Merchants :—Village merchants and itinerant dealers often take advances from Kachcha Arhatiyas operating in the local market. It is generally done on the understanding that borrowers will bring the produce to their shops for sale. Generally, no interest is charged on such advances.

Financing of merchants in assembling and distributing markets :—Kachcha arhatiyas or merchants in assembling markets who work mainly as commission agents for sellers from rural areas are financed mostly by Pucca Arhatiyas. The amount and terms of such advances depend entirely on the business relations existing between the parties concerned.

Pucca Arhatiyas generally possess a substantial capital and in addition to trading, a number of arhatiyas also function as banker or discount houses. When necessary, short or long term loans are also available from the banks or from shroffs (indigenous bankers). The rate of interest charged on such advances varies with the season and financial status of the client but generally it is between 6 to 9 percent per annum.

U. P. Co-operative Bank and Kashi Co-operative Bank are functioning at this place but as these are not progressive, the trade has to take loan from Allahabad Bank, Central Bank, United Commercial Bank and State Bank.

Conclusion and Suggestions :

The study that has been made into the various problems of agricultural marketing, specially that of linseed has revealed certain defects. The lines of improvement are suggested below in brief :-

Establishment of regulated Market :—Regulation of market is essential for enabling the producers to sell their commodities with ease and confidence and get fair price, which aims at preventing mal-practices such as charging multifarious market charges and deductions.

Facilities for storage :—The establishment of good warehouses, where agricultural produce can be safely stored in the producing areas and in market, is another much needed marketing facility. At present we find that the producer

suffers much by disposing his produce at post-harvest depression prices due to his less retentive power and lack of proper arrangement for storage.

Marketing Finance :—Producers generally sell their produce just after the harvest to meet their urgent financial need and thereby get lower prices. Provision of proper financial help should be made to them against the security of their produce, which will greatly improve their retaining capacity and help them in securing better prices.

Dissemination of Market news :—Producer does not get any accurate and up-to-date information about the trend of prices, the state of stocks etc. in the market from the available market news. Arrangement should be made for prices at key markets being widely known in rural areas.

Purity of produce :—Generally, the producers bring wet and admixtured produce in the market which fetches a lower price due to heavy refraction. They should be properly trained and encouraged to bring pure and graded produce in the market.

Producers' Organisation :—The producers, who bring their produce in the market are lacking in any kind of collective organisation among them. They are all scattered and practically have no bargaining power. On the other hand, the arhatiyas are well organised who always dictate the price of the commodity.

Establishment of Producers' Co-operative Societies is the only way out to secure a better return to the producer for his produce and save undue profits made by the intermediaries and wholesale dealers.

LEVEL OF AGRICULTURAL PRODUCTION IN OLD CHINA

By : Dr. P. C. BANSIL

1.1 CHINA staggered the world by producing a food grain crop of 350 million tons last year an increase of the order of 90 percent all condensed in one year. Nowhere in the history of world-agriculture has such a tremendous increase been recorded. The maximum annual increase so far known was about 12 percent in Taiwan in the years after their recovery in 1945. The only explanation for that is that there was a similar fall in the year 1939-45. Table 1 shows the level of agricultural production in Taiwan for the years 1910 to 1956.

Table 1 :—Annual growth rate of agricultural output in Taiwan, 1910 to 1956:

Period		Average annual growth rate (percentage)
1910-20		1.40
1920-39		4.50
1939-45		-12.33
1945-52		12.30
1952-56		4.96
1910-39	Average	3.45
1945-56	Average	9.90
1910-56	Average	2.70

(*Source* :—An Analytical review of agricultural development in Taiwan, by S. C. Hsieh and T. H. Lee, p. 4.)

1.2 On the analogy of Taiwan, the immediate question that comes to one's

mind is that may be, China has also recovered from the levels already touched by her during the pre-war years. This is a fitting subject that calls for a thorough examination. We accordingly propose to discuss in this paper the level of agricultural production in pre-war China in our search to find an answer to the high levels reached by her during the year 1958.

1.3 For a proper appreciation of Chinese agriculture, it is necessary to first understand the peculiarities and distinctive features which she has developed over the long centuries. They are to be seen in the structure of her :

1. Land utilisation.
2. system of irrigation.
3 preservation and use of organic manures, and
4. practice of double or even multiple cropping.

Land Utilisation

2.1 Pre-war records of land utilisation for China's total geographical area of about 2400 million acres (roughly 3 times that of India), are not available. Buck conducted a survey of the major wheat and rice regions in that country covering an area of about 1359 thousand square miles (nearly 870 million acres) during the period 1929–33. Cultivated land in these regions was estimated at 27 per cent. Forests occupied only 8.7 per cent and pastures another 4.6 per cent. Table 2 gives an idea of the major uses of land in eight countries in the pre-war period.

Table 2: Major uses of land in eight countries in pre-war time
(per cent of total)

Countries	Cultivated land	Pasture	Forest	Other land	All Land,
1	2	3	4	5	6
China (eight agricultural areas)	27.0	4.6	8.7	59.7	100
Japan Proper	17.2		56.6	26.2	100
India (British Province)	46.3		13.1	40 6	100
Russia (1928)	12.0	2.9	27.3	57.8	100
Italy	44.6	20.1	16 0	19.3	100
Germany	43.8	17.4	27.2	11 6	100
Great Britain	22.5	56.3		20.7	100
United States	22 6	35.1	31.9	10 4	100

(Source : Land Utilisation in China, J. L. Buck. P. 172)

2.3 Over all statistics of Buck exclude the desert and high mountains of the West and show 362000 square miles or 232 million acres under cultivation in China without Manchuria and Taiwan.

2.4 Cressey[1] while examining the position of land utilisation during this period says that allowing for cultivated land in areas which Buck omitted, the total crop areas in China as a whole may reach 425000 square miles (272 million acres) nearly 12 per cent of the country.

2.5 China witnesred many an upheaval during 10–12 years preceding her occupation of the Communist regime in 1949. And not only agriculture, but the total economy of the country suffered.

2.6 Cultivated land in the country was only 10 per cent in 1949–50 and 11 per cent in 1955–56. This brings out the fact that no more additional areas were brought under cultivation during the ten years period inspite of the every day increasing pressure on land because of population increase. Some of the land might have, on the other hand, gone out

1. G. B. Creassey, land of the 500 million, A Geography of China.

of cultivation due to the unsettled conditions in the country. The other and more important point is that the level of land utilisation in China, during all the period before 1948, was very low. This would suggest that the larger part of the cultivated area especially in the river valleys consisted of rich and fertile soils. The Chinese peasant, in spite of the heavy pressure on land was not required to bring under the plough vast extents of marginal or even submarginal land.

2.7 Mainland China sources now estimate an additional 266 million acres as reclaimable land[2]. It may be difficult to say exactly how much more land can be put to arable farming. But what seems plausible is that China in spite of the heavy pressure on land, still had vast untapped resources. During the first five year plan alone, she succeeded to add about 13 million acres to her cultivated area against the original target of 5.3 million acres.

Irrigation system :

3.1 China has 1600 rivers with a basin area of 6669 thousand square kilometers (1667 million acres) representing 69.5 per cent of the total area of the country. With such a huge water potential, China naturally possesses a tremendous initial advantage in the development of her agriculture. The table below gives an idea of the water power potential :

Table 3 : Water power potential.

	Unit	
Rivers of fair size in China	No.	1593
Basin area	Thousand Sq. Kilometers	666,9
Percent of total area of China		69.5
Total length of rivers	Kilometer	226600
Annual flow	Million Sq. metre	2617000
Theoratical potential of water power	Million kw	544
of this usable water power	,,	300

Note : Calculated according to average flow.

2. Chao-Kuo-Chun, Agricultural Development and Problems in China, India Quarterly, Jany-April, 1959, p. 18.

3.2 Irrigated area in China has been vast yet like other agricultural statistics, no reliable data on the subject are available for the pre-war period. The survey conducted by Buck, revealed that irrigation of one or the other type existed in 95 per cent of all the localities studied. According to the sample farm studies in the areas covered by Buck's survey, irrigated land was 46 per cent of the cultivated land (232 million acres). This would work out to roughly 107 million acres. Estimates of irrigated area made on the basis of Agricultural Survey Schedules give nearly the same proportion of the area irrigated, namely, 47 per cent for all the lands included in the study [3].

3.3 The other point which deserves consideration in this respect is the fact that nearly 37 per cent of the crop area was devoted to rice and, of the latter area, almost all was irrigated[4]. This would be helpful to understand the phenomena of high agricultural yields particularly those of rice in China.

3.4 As for the type of irrigation, chief sources of irrigation water according to Buck were streams, ponds, wells, and ditches, named in order of importance. In the Wheat Region, nearly three quarters of the localities used irrigation water from wells, whereas in the Rice Region two thirds obtained it from streams and other half from ponds. Well irrigation was especially important in the winter Wheat-Kaoling area. Pond irrigation was most important in the Yangtze rice-wheat and the rice-tea areas. Pumping was the method of applying water to the fields for over three fourths of the localities. [5].

3.5 The other peculiarity about Chinese irrigation has been a more or less con-

3. Buck, op. cit., p. 186.
4, Buck, op., cit. p. 189.
5. c.f., Hsian-Tung Foi, Peasant Life in China, pp. 155-159.

stant supply of water although as many as 20 per cent of the localities surveyed by Buck reported failures once in three years.

3.6 Assuming that the areas left out of the survey conducted by Buck had the same proportion of irrigated area, Main land China had proper irrigation for about 128 million area. If this is true, the maximum damage that China suffered during the postwar decade was in many of its irrigation works going out of use. According to the available data, irrigated area in China in the year 1949 was only 50 million acres, out of a cultivated area of about 242 million acres.[6] Although Chinese agriculture recovered steadily after 1945, there was a considerable backlog of repair and maintenance to be done on river control and irrigation installations.[7] even by 1952.

Preservation and use of organic manures

4.1 Wastage of any organic matter in China is considered nothing short of race suicide. Animal and human excreta as well as urine is preserved there with a religious fervour. If, for example, a Chinese farmer gets a crop of 1000 lbs. from his field, he expects that the share which he and his family eat, shall as far as possible, be returned to the soil in the form of human waste [8]. Whatever quantity of his grain he sells to the nearest market, he endeavours to recover by purchasing the town night soil. The result is that the farmer or the scavanger, who removes night soil from the cities, instead of being paid something as practised in India or elsewhere, pays each householder for the privilege. King [9], cites the example of a Chinese contractor paying 31,000 gold in 1908 for collecting 78,000 tons of human waste in the city of Dhanghai.

4.2 A Chinese farmer in order to supplement his manurial requirements has been practising the formation of nitrates in soils. The floors of dwellings are charged with potassium nitrate. The overcharged soils are removed by contractors who pay for it. Nitre-farming as it is called thus helps to increase uncropped virgin soils [10].

4.3 Fuel and manurial economy is found at its best in the practice, both in China and Japan, of rice hulls and rice straw, being used as fuel and mulch. Coal dust mixed with clay is patted into small cakes to serve as fuel. The burnt soil is then used as manure. It has been found that if soil is heated to dryness at a temperature of 110 degree centigrade the solvent-power of water, finds it more easy to recover from it plant life.

4.4 In Southern China, there is again an equally more laborious practice of periodic exchange of soil between mulberry orchards and rice[11] fields. They have found by experience that such an exchange goes a long way in improving both mulberry and rice. There is also the practice of the use of canal mud, some times at the rate of even 70 tons or more[12] per acre.

4.5 The livestock population of China in March 1937 was hardly 140 million heads excluding poultry. Use of manures in the Agricultural economy there was, however, superb in the sense that the cultivator there could maintain higher production level without the use of fertilisers which her neighbour, Japan had been using extensively.

4.6 Table below gives an idea of the quantity of manures (in terms of 'N') applied per crop acre of all crops in the areas surveyed by Buck. China was putting in her soil about 100 lbs. of nitrogen per acre on an average.

6. Report of the Indiau Delegation to China, p. 92
7. Roshow, The Prospects for Communist China.
8. Cf. G. T. Wrench, The Restoration of Peasantries.
9. Farmers of Forty Centuries, p. 171.
10. The application of soil as a fertiliser to the fields of China must have played an important part in the permanency of agriculture in the Far East, for all such additions have been positive accretions to the effective soils, increasing its depth and carrying to it all plant food elements.
11. King, op. cit., p. 153,
12. *Ioid*, p. 22, Also Wrench *op. cit.*, p. 50.